

## City of Annapolis FY 2005 Proposed Budget All Funds Summary

---

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Budgets for the following funds are included in this document:

*General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Enterprise Funds* - The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation and Refuse Funds.

*Capital Projects Fund* - The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

The following tables summarize the FY 2005 Proposed budget for the General, Enterprise and Special Revenue Funds.

<i><b>FY 2005 Proposed Revenues and Expenditures By Fund</b></i>	<i><b>Revenues</b></i>	<i><b>Expenditures</b></i>	<i><b>Difference</b></i>
General	\$39,754,490	\$39,754,490	\$0
Water	3,798,560	3,798,560	0
Sewer	5,020,720	5,020,720	0
Off Street Parking	2,122,800	1,437,410	685,390
Dock	926,500	629,180	297,320
Market	102,000	102,000	0
Transportation	3,150,000	3,888,030	(738,030)
Storm Water Management	240,620	240,620	0
Refuse	2,410,000	2,654,680	(244,680)
<b>Grand Total</b>	<b>\$57,525,690</b>	<b>\$57,525,690</b>	<b>\$0</b>

**City of Annapolis FY 2005 Proposed Budget  
All Funds Summary**

- continued -

<i><b>Revenues</b></i>	<i><b>FY 2003 Actual</b></i>	<i><b>FY 2004 Estimated</b></i>	<i><b>FY 2005 Proposed</b></i>	<i><b>Percent Change</b></i>
Taxes	\$19,049,000	\$20,115,750	\$21,590,750	7.33%
Licenses and Permits	2,081,840	2,151,100	2,312,100	7.48%
Intergovernmental Revenues	13,208,710	13,003,310	13,008,800	0.04%
Charges for Services	16,265,330	16,196,100	16,875,500	4.19%
Fines and Forfeitures	1,027,910	974,500	1,324,500	35.92%
Money and Property	1,406,780	1,375,740	2,046,140	48.73%
Other Financing Sources	2,668,000	1,107,940	367,900	-66.79%
<b>Total Revenues</b>	<b>\$55,707,570</b>	<b>\$54,924,440</b>	<b>\$57,525,690</b>	<b>4.74%</b>

<i><b>Expenditures</b></i>	<i><b>FY 2003 Actual</b></i>	<i><b>FY 2004 Estimated</b></i>	<i><b>FY 2005 Proposed</b></i>	<i><b>Percent Change</b></i>
Personnel	\$35,088,750	\$37,159,450	\$37,700,240	1.46%
Other Operating Expenditures	12,955,470	12,789,510	13,443,670	5.11%
Capital Outlays	324,130	198,000	119,000	-39.90%
Debt Service	4,461,630	5,653,120	5,484,450	-2.98%
Other Expenditures	(348,790)	(1,595,890)	(105,670)	-93.38%
Contribution to CIP	5,447,040	720,250	884,000	22.74%
<b>Total Expenditures</b>	<b>\$57,928,230</b>	<b>\$54,924,440</b>	<b>\$57,525,690</b>	<b>4.74%</b>

**City of Annapolis FY 2005 Proposed Budget  
All Funds Summary**

- continued -

<i>Expenditures by Department</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>	<i>Percent Change</i>
Mayor and Aldermen	\$2,046,770	\$2,697,100	\$2,826,940	4.81%
Finance	2,054,290	2,223,540	2,470,140	11.09%
Human Resources	622,400	589,320	687,470	16.65%
Planning & Zoning	1,439,090	1,202,670	1,255,690	4.41%
Central Services	1,579,670	1,656,560	1,733,290	4.63%
Police	12,187,060	13,253,180	13,411,200	1.19%
Fire	8,429,630	8,258,800	8,323,330	0.78%
Neighborhood & Environ. Programs	1,126,330	1,474,950	1,590,650	7.84%
Public Works	12,719,880	13,311,530	13,181,930	-0.97%
Recreation & Parks	2,623,970	2,482,450	2,638,860	6.30%
Transportation	3,539,260	2,996,860	3,143,410	4.89%
Other Expenditures	(348,790)	(1,595,890)	(105,670)	-93.38%
Debt Service	4,461,630	5,653,120	5,484,450	-2.98%
Contribution to CIP	5,447,040	720,250	884,000	22.74%
<b>Total Expenditures</b>	<b>\$57,928,230</b>	<b>\$54,924,440</b>	<b>\$57,525,690</b>	<b>4.74%</b>

## FY 2003 - 2005 Budget Comparison by Fund

The following tables compare the FY 2003, FY 2004 and FY 2005 Budgeted revenue and expenditure budgets for all funds.

<i><b>Revenues by Fund</b></i>	<i><b>FY 2003 Adopted</b></i>	<i><b>FY 2004 Adopted</b></i>	<i><b>FY 2005 Proposed</b></i>
General	\$39,506,770	\$37,339,250	\$39,754,490
Water	3,587,940	3,782,910	3,798,560
Sewer	4,443,680	5,104,320	5,020,720
Off Street Parking	1,917,000	2,005,690	2,122,800
Dock	591,370	876,500	926,500
Market	92,860	116,770	102,000
Transportation	3,064,200	3,298,000	3,150,000
Storm Water Management	0	0	240,620
Refuse	2,368,000	2,401,000	2,410,000
<b>Grand Total</b>	<b>\$55,571,820</b>	<b>\$54,924,440</b>	<b>\$57,525,690</b>

<i><b>Expenditures by Fund</b></i>	<i><b>FY 2003 Adopted</b></i>	<i><b>FY 2004 Adopted</b></i>	<i><b>FY 2005 Proposed</b></i>
General	\$39,506,770	\$37,339,250	\$39,754,490
Water	3,587,940	3,782,910	3,798,560
Sewer	4,443,680	5,104,320	5,020,720
Off Street Parking	1,353,050	1,705,690	1,437,410
Dock	591,370	671,240	629,180
Market	92,860	116,770	102,000
Transportation	3,554,430	3,727,010	3,888,030
Storm Water Management	0	0	240,620
Refuse	2,441,720	2,477,250	2,654,680
<b>Grand Total</b>	<b>\$55,571,820</b>	<b>\$54,924,440</b>	<b>\$57,525,690</b>

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

---

Property Taxes

The real property assessment, at 100%, used to calculate the FY 2005 tax revenue budget is \$3,034,000,000. This is a 4.3% increase over the FY 2004 assessment, at 100%, of \$2,909,000,000. The proposed tax rate for FY 2005 is 58.0 cents, which is a 2.0 cents decrease from the adopted rate for FY 2004, per \$100 of full property value. The proposed personal property rate remains the same at \$1.66.

<i>Property Taxes</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Real Property:</b> Revenues from taxes on assessed value real estate including land, structures, and improvements.	\$16,446,120	\$17,600,000	\$19,000,000
<b>Personal Unincorporated:</b> Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses.	84,190	87,500	87,500
<b>Personal - Public Utility:</b> Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of public utilities.	898,060	845,250	920,250
<b>Personal Corporation:</b> Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses.	1,509,070	1,470,000	1,470,000
<b>Penalties and Taxes:</b> Interest paid on delinquent taxes.	111,560	113,000	113,000
<b>Total Property Taxes</b>	<b>\$19,049,000</b>	<b>\$20,115,750</b>	<b>\$21,590,750</b>

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

Licenses and Permits

These budgeted increases are based on FY 2003 actual revenue, FY 2004 projections, and the general upward trend of some of these revenue sources.

<i>Licenses and Permits</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Street Use:</b> Fees charged for the use of City street and sidewalk surfaces.	\$100,270	\$91,500	\$91,500
<b>Residential Parking Permits:</b> Revenue from permits issued for parking in residential areas.	69,720	60,100	80,100
<b>Sidewalk Cafes:</b> Fees charged for the use of City sidewalks for restaurants that have sidewalk cafes.	8,100	6,900	6,900
<b>Alcoholic Beverage Licenses:</b> Revenues from licenses issued to allow sale of beer, wine, and liquor.	192,010	206,300	206,300
<b>Traders Licenses:</b> Fees collected from local businesses by the State and returned to the City.	73,720	81,000	81,000
<b>Vendor-Huckster Licenses:</b> Revenue from licenses issued for utility contractors and peddlers.	93,540	69,000	93,000
<b>Towing Licenses:</b> Fees from licenses issued to towing contractors.	40	100	100
<b>Amusements Licenses:</b> Fees charged by the City to operate various types of amusements.	4,230	2,200	3,200
<b>Building Permits:</b> Revenue from permits issued for building construction/electrical work; plumbing, sewer, water, and gas connections.	754,270	950,000	950,000
<b>Cable TV Franchise Fees:</b> Franchise fees for cable television at 5% of gross receipts.	399,580	420,000	450,000
<b>Wastewater Discharge Pretreatment Permits:</b> Fees charged for inspection to obtain permits for "critical uses" connection to the City sewer system.	0	0	0
<b>Other Non-Business Licenses:</b> Revenue from the issuance of local licenses and permits not elsewhere classified.	386,360	264,000	350,000
<b>Total Licenses and Permits</b>	<b>\$2,081,840</b>	<b>\$2,151,100</b>	<b>\$2,312,100</b>

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

*Intergovernmental Revenues*

Although it is likely that the City will receive various grants from other agencies, some have not been included in the FY 2005 budget because the application and acceptance process have not yet been completed. The Police Protection Grant is based on a formula that is calculated by the State. Highway Tax revenue is to be reduced under the pending State budget.

<i>Intergovernmental Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Other Federal Grants:</b> U.S. Environmental Protection Agency grants for habitat restoration and FEMA grants.	97,010	0	100,000
<b>U.S. Department of Justice Grants:</b> U.S. Department of Justice grants that fund certain costs of local law enforcement and citizen participation in an effort to make communities safer.	52,320	0	0
<b>Police Protection Grant:</b> City's share of State funds allocated to municipalities for police protection.	949,490	1,119,410	1,119,400
<b>BMC Planning Grant:</b> Subsidization of transportation planning activities and salary reimbursement, administered by the Baltimore Metropolitan Council and funded by various federal and state agencies.	35,200	0	0
<b>Critical Area Grant:</b> Assistance to local governments in carrying out their responsibilities under the Chesapeake Bay Critical Area Protection Program, administered by the Critical Area Commission, State of Maryland Department of Natural Resources.	13,000	0	0
<b>HotSpots Grants:</b> State payments to support HotSpots neighborhood and youth programs.	163,470	0	0
<b>Miscellaneous State Grants:</b> Revenue from other state grants that are not listed separately.	413,940	500,000	600,000
<b>Highway Taxes:</b> City's share of gasoline tax and motor vehicle registrations collected by the State.	1,538,040	1,135,200	635,200
<b>Income Taxes:</b> City's share of income tax received by the State for returns filed from Annapolis.	3,934,780	3,650,000	3,950,000
<b>Admissions Receipts:</b> Taxes on admissions are returned to municipalities by the State on the basis of the amount collected.	812,790	800,000	900,000

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

<i>Intergovernmental Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>State Payment in Lieu of Taxes:</b> Revenue received from the State of Maryland in lieu of taxes for fire and police services.	417,000	417,000	417,000
<b>County - 911 Revenue:</b> Revenue received from a portion of the County grant to support the "911" emergency calling system.	192,700	199,000	199,000
<b>Miscellaneous County Grants:</b> Revenue from various grants from Anne Arundel County that are not listed separately.	23,710	13,200	13,200
<b>Electricity:</b> The City's share of sales tax collected on electricity use.	190,730	170,000	193,000
<b>Gas:</b> The City's share of sales tax collected on natural gas use.	28,500	27,000	28,500
<b>Telephone:</b> The City's share of sales tax collected on telephone use.	247,540	240,000	255,000
<b>Fuel:</b> The City's share of sales tax collected on fuel oil use.	3,380	2,500	3,500
<b>Hotel-Motel Tax:</b> Revenue from 7% tax levied on room receipts in the City of Annapolis.	1,485,150	1,780,000	1,780,000
<b>County Payment In Lieu of Taxes:</b> Revenue received from Anne Arundel County in lieu of taxes for fire protection coverage of the Annapolis Neck Peninsula.	544,800	545,000	590,000
<b>Total Intergovernmental Revenues</b>	<b>\$11,143,550</b>	<b>\$10,598,310</b>	<b>\$10,783,800</b>

Charges for Services

An increase in rental unit licenses is expected to result in a 23.9% increase in revenues over those of FY 04.

<i>Charges for Services</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Filing Fees:</b> Charges for services relating to zoning such as map enhancements, text amendments, and use permits.	\$24,150	\$25,200	\$25,200
<b>Rental Unit Licenses:</b> Revenue received for licenses issued to operate a rental dwelling unit.	369,150	323,000	400,000



**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

<i>Charges for Services</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Fire Safety Inspection Fees:</b> Revenue received from inspections of buildings to ensure that they meet all fire safety requirements concerning life safety.	10,460	18,000	18,000
<b>Parking Meter Fees:</b> Revenues from hourly parking meters located in the downtown area.	577,230	601,000	601,000
<b>Recreation Program Fees:</b> Revenues from fees for various recreation programs and classes.	301,220	290,000	290,000
<b>Recreation-Latchkey Fees:</b> Revenue from before and after school day care programs.	331,560	363,000	363,000
<b>Total Charges for Services</b>	<b>\$1,613,770</b>	<b>\$1,620,200</b>	<b>\$1,697,200</b>

*Fines and Forfeitures*

Other Fines revenue is expected to increase due to red light cameras located in the City.

<i>Fines and Forfeitures</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Parking Violations:</b> Revenues from parking violation fines.	\$841,850	\$800,000	\$800,000
<b>Municipal Infractions:</b> Revenues received from fines for municipal infractions.	5,410	4,500	4,500
<b>Confiscated Funds:</b> Cash and personal items seized under current law by City Police during the commission of a crime.	138,320	150,000	150,000
<b>Other Fines:</b> Revenue from other miscellaneous fines and late charges on payment of fines.	42,330	20,000	370,000
<b>Total Fines and Forfeitures</b>	<b>\$1,027,910</b>	<b>\$974,500</b>	<b>\$1,324,500</b>

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

Use of Money and Property

Interest revenue on the short-term investment of cash balances is expected to remain low through FY 05.

<i>Use of Money and Property</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Proposed</i>
<b>Interest Income:</b> Interest received from the investment of City funds.	\$613,960	\$400,000	\$400,000
<b>Rents:</b> Revenue from the rental of City property.	273,000	190,000	190,000
<b>Contributions and Donations:</b> Revenue from miscellaneous contributions and donations to fund City activities.	107,620	120,000	120,000
<b>Payments in Lieu of Taxes:</b> Revenues received under special legal agreements with certain entities in lieu of the regular property tax assessment.	\$78,250	\$72,140	\$152,140
<b>Payment for Police Services:</b> Revenues from special dedicated police services.	112,040	100,000	100,000
<b>Miscellaneous Revenues:</b> Revenues not accounted for elsewhere.	240,020	200,000	200,000
<b>Total Use of Money and Property</b>	<b>\$1,424,890</b>	<b>\$1,082,140</b>	<b>\$1,162,140</b>

**General Fund  
Revenues - by Source  
FY 2003 - FY 2005**

- continued -

*Other Financing Sources*

Proceeds from other financing sources such as the disposal of fixed assets are not usually budgeted but are part of the actual proceeds for the year.

<i><b>Other Financing Sources</b></i>	<i><b>FY 2003 Actual</b></i>	<i><b>FY 2004 Estimated</b></i>	<i><b>FY 2005 Proposed</b></i>
<b>Operating Fund Transfers:</b> Revenues from miscellaneous operating fund transfers.	529,070	0	0
<b>Appropriated Fund Balance:</b> This is not an actual revenue; however it is a source of funding relied upon in balancing the budget. This funding source provides pay-as-you-go funding support for the Capital Improvements Program. \$884,000 of the general fund balance has been appropriated in FY 2005 to support pay-go project funding.	0	797,250	884,000
<b>Total Other Financing Sources</b>	<b>\$529,070</b>	<b>\$797,250</b>	<b>\$884,000</b>

**City of Annapolis FY 2005 Proposed Budget  
General Fund**

<i><b>Expenditures</b></i>	<i><b>FY 2003 Actual</b></i>	<i><b>FY 2004 Estimated</b></i>	<i><b>FY 2005 Proposed</b></i>	<i><b>Percent Change</b></i>
Personnel	\$29,266,270	\$31,047,760	\$31,443,010	1.27%
Other Operating Expenditures	6,920,150	6,724,890	7,276,830	8.21%
Capital Outlays	71,680	0	64,000	N/A
Debt Service	2,258,350	2,748,200	2,797,000	1.78%
Other Expenditures	* (1,768,240)	* (3,901,850)	* (2,710,350)	30.54%
Contribution to CIP	4,552,440	720,250	884,000	22.74%
<b>Total Expenditures</b>	<b>\$41,300,650</b>	<b>\$37,339,250</b>	<b>\$39,754,490</b>	<b>6.47%</b>

<i><b>Expenditures by Department</b></i>	<i><b>FY 2003 Actual</b></i>	<i><b>FY 2004 Estimated</b></i>	<i><b>FY 2005 Proposed</b></i>	<i><b>Percent Change</b></i>
Mayor and Aldermen	1,512,780	2,247,420	2,373,660	5.62%
Finance	2,054,290	2,223,540	2,470,140	11.09%
Human Resources	622,400	589,320	687,470	16.65%
Planning & Zoning	1,439,090	1,202,670	1,255,690	4.41%
Central Services	906,170	917,860	991,190	7.99%
Police	12,187,060	13,253,180	13,411,200	1.19%
Fire	8,429,630	8,258,800	8,323,330	0.78%
Neighborhood & Environ. Programs	1,126,330	1,474,950	1,590,650	7.84%
Public Works	5,356,380	5,122,460	5,041,650	-1.58%
Recreation & Parks	2,623,970	2,482,450	2,638,860	6.30%
Debt Service	2,258,350	2,748,200	2,797,000	1.78%
Other Expenditures	* (1,768,240)	* (3,901,850)	* (2,710,350)	30.54%
Contribution to CIP	4,552,440	720,250	884,000	22.74%
<b>Total Expenditures</b>	<b>\$41,300,650</b>	<b>\$37,339,250</b>	<b>\$39,754,490</b>	<b>6.47%</b>

\* The negative dollar amount is the result of the credit to the General Fund for indirect administrative costs allocated to each enterprise fund.